

D4925
1.981
Cop. 2

SOUTH CAROLINA STATE DEVELOPMENT BOARD

**ANNUAL REPORT
1980-1981**



S. C. STATE LIBRARY
FEB 24 1982
STATE DOCUMENTS

**Printed Under the Direction of the
State Budget and Control Board**

SOUTH CAROLINA STATE DEVELOPMENT BOARD

ANNUAL REPORT

1980-1981



**Printed Under the Direction of the
State Budget and Control Board**

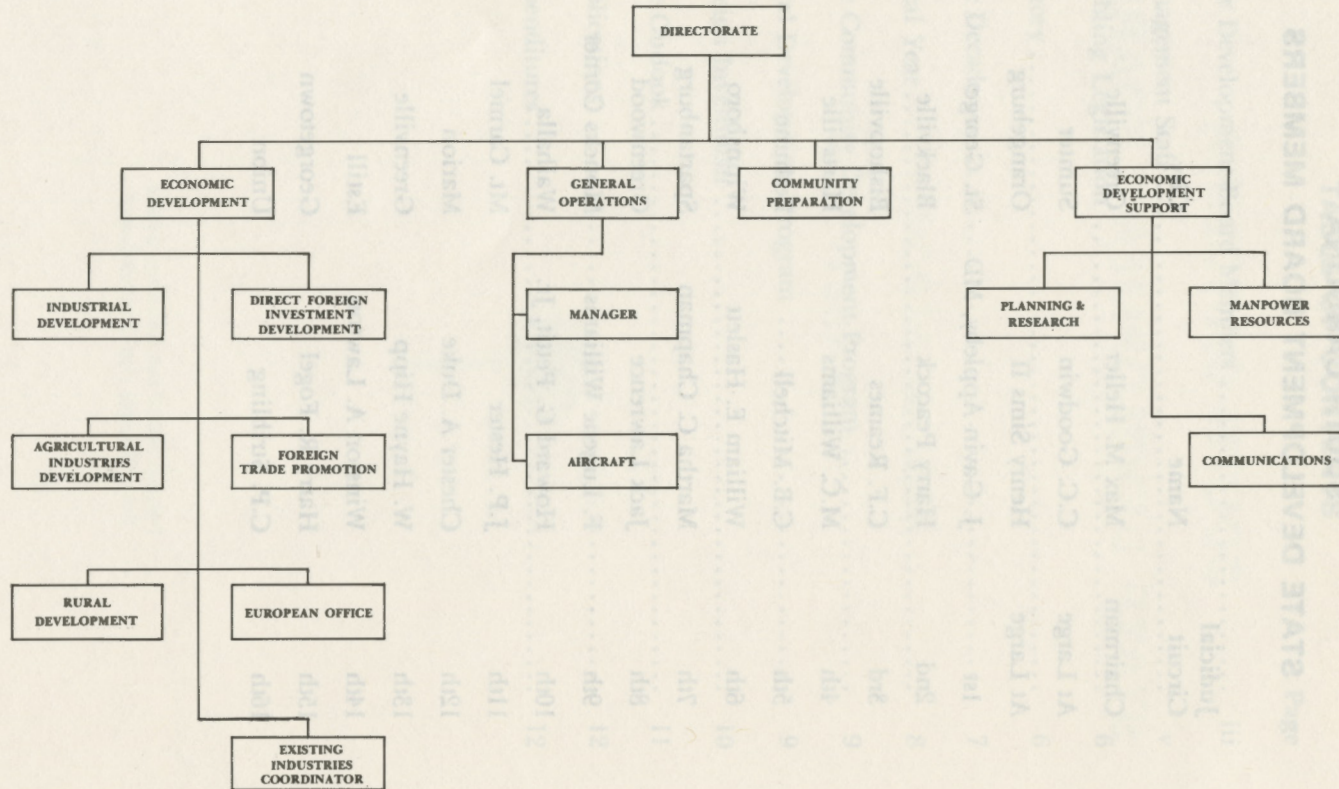
TABLE OF CONTENTS

	Page
State Development Board Members	iii
Management Staff	v
Enabling Legislation	6
History	6
The Decade	7
Fiscal Year	8
The Community Development Program	9
Rural Development Program	9
Foreign Investment	10
The Outlook	11
Publications	12
Expenditures	12

SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS

Judicial Circuit	Name	City
Chairman	Max M. Heller	Greenville
At Large	C.C. Goodwin	Sumter
At Large	Henry Sims II	Orangeburg
1st	J. Gavin Appleby, MD	St. George
2nd	Harry Peacock	Blackville
3rd	C.F. Reames	Bishopville
4th	M.C. Williams	Hartsville
5th	C.B. Mitchell	Bethune
6th	William E. Haslett	Winnsboro
7th	Martha C. Chapman	Spartanburg
8th	Jack Lawrence	Greenwood
9th	F. Eugene Williams	Moncks Corner
10th	Howard G. Pettit, Jr.	Walhalla
11th	J.P. Hester	Mt. Carmel
12th	Chester A. Duke	Marion
13th	W. Hayne Hipp	Greenville
14th	Winston A. Lawton	Estill
15th	Harry R. Fogel	Georgetown
16th	C.P. Stribling	Union

S.C. STATE DEVELOPMENT BOARD



MANAGEMENT STAFF OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

Robert E. Leak	Director
John C. Hankinson, Jr.	Deputy Director
Robert E. Glover	Associate Director and Manager, Industrial Development
Edward B. Burgess	Manager, Planning and Research
G.L. Daniel	Manager, Communications
P.M. Smurthwaite	Manager, Community Preparation
Caleb Whitaker	Manager, Reverse Investment
Robert Whitaker	Manager, Trade Promotion
David Eldridge	Manager, Manpower Resources
Craig Cameron	Coordinator, Existing Industries
Willa Bellamy	Manager, General Operations
Walter Harris	Manager, Rural Development

ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

HISTORY

The South Carolina State Development Board was created originally in 1912 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, the Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, the State Commission of Port Development, the South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, some of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.

THE DECADE

The State Development Board's primary responsibility is to maintain a well-balanced and managed economic development and growth program for South Carolina through the promotion of industrial development in the state. The State Development Board has been highly successful in achieving its goals. During the past ten fiscal years, announced capital investment by industry has amounted to nearly \$10 billion. The state has recorded investments in excess of \$1 billion in five of the last ten fiscal years. The last three periods have exceeded \$1 billion. And in fiscal year 1980-1981, the state posted investments of more than \$2 billion (Table 1).

All manufacturing sectors helped contribute to the \$9.8 billion in investments during the past ten fiscal years. The Chemicals and Allied Industry provided the largest share of investment, with almost \$3 billion or 30.5%. The Metalworking Industry was the second largest contributor with 25% of the total announced investment or \$2.4 billion. Table 2 shows the contributions of each industry to total investment during the past ten years.

The investments of new and existing industry in the state during the last ten fiscal years have also helped to create new and better employment opportunities for South Carolinians. Over 133,000 new jobs have been announced by industry during the past ten fiscal year period. At the same time, total manufacturing employment has increased by 15.3%, from 340.3 thousand in 1970 to 392.3 thousand in 1980.

New industry and employment have also helped raise wage levels of South Carolina workers. From 1970-1980, average weekly earnings for manufacturing workers in South Carolina rose from \$101 to \$257, an increase for the ten-year period of 154.5%.

Earnings of South Carolina workers continue to grow at a rate which outpaces the United States as a whole. Per capita income in South Carolina from 1970-80 increased by 147.1% from \$2,951 in 1970 to \$7,292 in 1980. During the same period, United States per capita income increased from \$3,893 to \$9,458 or 142.9%. Despite South Carolina's above average growth, per capita income, however, remains at 80% of United States average.

Manufacturing employment during the past ten years has undergone considerable change. In 1970, over 75% of all manufacturing employment in the state was in the nondurable goods

sector. In 1980 the share of nondurable goods employment had declined to 69%. At the same time, the durable goods sector was experiencing an increase in its share of manufacturing employment, from 24.7% in 1970 to 30% in 1980. Some 35,800 additional jobs were created in the higher paying durable goods industries between 1970-1980.

Income generated by the manufacturing sector continued to provide the largest source of personal income in South Carolina. As illustrated by table 3, in 1979 manufacturing represented 33.7% of personal income. This fact, indeed helps to illustrate the importance of industry to the state.

FISCAL YEAR

Industrial growth in fiscal year 1980-81 for the first time ever, exceeded \$2 billion, far surpassing the 1979-80 record year of \$1.7 billion.

A total of 680 new and expanded plants contributed to the \$2 billion in capital investments for the year. The Paper and Printing Industry sector provided the largest share of the investment with 38.3% of the total. The industry also set a new record with the largest single plant investment ever announced in the state, a \$600-million pulp and paper mill. The Metalworking Industry was the next largest contributor with 26.2% of total investment (Table 4).

Although the Paper and Printing Industry lead all others in announced investments, the Metalworking Industry helped to create 45.9% of the 13,280 announced new jobs. The Textile Industry was the second largest contributor with 2,282 or 17.2% of the total.

The record fiscal year for industrial growth helps to illustrate South Carolina's ability to attract industry to the state. Through promotional efforts during the past few years, South Carolina's pro-business climate has become known throughout the world.

The Development Board's aggressive and highly successful advertising campaign is one such method used to help promote South Carolina. The highly acclaimed advertising program has helped to generate over 6,000 inquiries, of which 5600 were from potential prospects during the past fiscal year alone. And over 23,000 inquiries from potential prospects have been generated during the past 5 years through the promotion of South Carolina through several national and international publications.

Other promotional efforts used by the Development Board include foreign trade missions, plant announcements, news releases, a quarterly newsletter and promotional brochures.

THE COMMUNITY DEVELOPMENT PROGRAM

The State Development Board's Community Development Program, initiated in 1976, is continuing in its efforts to help small towns with populations of under 15,000 prepare themselves to be more attractive to industrial prospects. The GREAT (Governor's Rural Economic Achievement Trophy) Town program is now near completion of its fifth successful year.

At the end of fiscal year 1980-81, 46 towns had already achieved GREAT Town status. Another 15 towns were actively pursuing the GREAT Town trophy. Much progress has been made in the five years the program has been in existence. Since its inception, over 423 new and expanded industries have announced investments of over \$739,000,000, and created an additional 10,524 jobs. Seventy new plants have been announced in 23 GREAT Towns and expansions of existing industry have been announced in 42 of the 46 GREAT Towns.

As a joint project and in cooperation with the State Highway Department, the 1981 South Carolina Highway Map features the GREAT Town program. This exposure of the GREAT Towns will help promote and add success to the GREAT Town program.

RURAL DEVELOPMENT

A special Rural Economic Development Division of the Development Board was created during the 1980-81 fiscal year to help encourage growth of industry in the rural areas of South Carolina. The division's primary responsibility is to plan and implement strategy that will help provide job opportunities in the most economically distressed areas of the state. Their efforts will focus on the GREAT Towns as well as six targeted counties chosen by a Rural Development Advisory Committee and a special task force of the Development Board. The six counties which will receive special attention are Clarendon, Jasper, Lee, Marlboro, McCormick, and Williamsburg.

The General Assembly reviewed proposed legislation to provide

special tax credits to new and expanding industries in rural areas. The measure did not pass however during the 1980-81 legislative session. A special appropriation was made for the funding of an advertising campaign for rural areas of the state. The special advertising campaign will illustrate the attractiveness of South Carolina's rural areas. The campaign is designed so that it will reach industrial prospects that are potential candidates for small communities and rural areas.

FOREIGN INVESTMENT

Foreign industrial investments in 1980 represented 23 percent of all announced investments in South Carolina. Although the total amount of foreign investment decreased slightly from 1979, 1980 remained one of the highest years on record for foreign investment (Table 5).

Investors from three countries accounted for over 75% of the foreign investment in the state during 1980. German manufacturers were the largest contributors with 30% or \$104 million of the announced foreign investment. Firms from Switzerland and Great Britain were also significant investors with a contribution of 23.5% and 22% of the total investment, respectively.

Overall, manufacturers from twelve countries have contributed to a total foreign investment of over \$3 billion (table 6). The largest capital outlays have been made by firms from West Germany (32.3%), Great Britain (20.7%) and France (19.0%). Investments from these three countries total over \$2.2 billion.

The Chemical Industry has been the primary source of foreign investment. It accounts for over 46% of all foreign capital expenditures in the state or \$1.4 billion. Total foreign investment by industrial sector is illustrated in Table 7.

THE OUTLOOK

The 1980-81 fiscal year again set a new record for industrial growth in South Carolina. The \$2 billion in announced capital investments was the highest ever recorded for the state and demonstrates the ability of South Carolina to grow despite adverse national trends.

Forecasters are predicting that 1980 election results will continue to exert an influence on the national economy in the coming year. Major adjustments will have to be made by the economy as new administration policies are implemented. Because of this, a flat economic growth has been forecast for the nation as a whole.

South Carolina's economists are also predicting slow economic growth for the coming year. However, the state's level of growth is expected to remain at a level of growth above the nation's. The trend towards high technology industry during the past several years has resulted in a more widely diversified economic base. This in turn enables the state to better withstand fluctuations in the business cycle which might adversely affect economic growth. The state should maintain its level of industrial development activity provided the national economy does not experience dramatic change.

The State Development Board will continue in its efforts to maintain economic growth and to encourage industrial development in the areas where it is needed the most. Throughout the upcoming year, the goals of the Development Board will be to: encourage the establishment of more highly skilled and better paying jobs, to encourage development in the rural areas of the state, and to help to raise the income levels of South Carolina workers.

1980-81	1979-80	% Change
Total Expenditures	\$2,000,000	100%
Food & Textiles	212,728	10.6%
Paper & Printing	1,322,445	66.1%
Chemicals & Allied	2,938,383	146.9%
Metalworking	2,458,077	122.9%
Remaining	1,394,171	69.7%
Total	\$9,321,620	466.0%

Figures may not add to 100.0 due to rounding.

*Represents tobacco, petroleum, rubber & plastics, leather, stone, clay and glass, and miscellaneous.

Source: Planning and Research Division,
S.C. State Development Board

PUBLICATIONS OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD

The Goose is alive.

Industrial Financing in South Carolina

Regulations and Pertinent Forms for New Industry

South Carolina Community Data Sheets

South Carolina Industrial Building Flyers

South Carolina Industrial Directory

South Carolina Metalworking Directory

South Carolina: Profile for Profit

South Carolina State Development Board Annual Report

South Carolina State Development Board News (quarterly news-
letter)

South Carolina-300 years of commitment to profit . . . and to people.

Supportive Services State of South Carolina

Taxes in South Carolina

EXPENDITURES

Administration	\$	230,341
Economic Development and Support		2,686,529
Total Expenditures	\$	<u>2,916,870</u>

Table 1
ANNOUNCED
CAPITAL INVESTMENT BY FISCAL YEAR

Year	Investment (\$000)	Employment
1971-72	\$ 295,998	9,342
1972-73	875,210	15,957
1973-74	1,166,935	14,094
1974-75	352,732	7,753
1975-76	510,004	7,309
1976-77	1,119,394	12,636
1977-78	735,463	15,511
1978-79	1,021,251	17,624
1979-80	1,732,202	19,967
1980-81	2,012,431	13,280
Total	\$9,821,620	133,673

Source: Planning and Research Division
S.C. State Development Board

Table 2
ANNOUNCED
CAPITAL INVESTMENT BY INDUSTRY
1971-72 1980-81

Industry	Capital Investment (\$000)	% of Total
Food	\$ 234,392	2.4%
Textile	1,218,378	12.4%
Apparel	88,038	1.0%
Wood & Furniture	212,728	2.2%
Paper & Printing	1,222,445	12.4%
Chemicals & Allied	2,998,288	30.5%
Metalworking	2,453,077	25.0%
*Remaining	1,394,274	14.2%
Total	\$9,821,620	100.0%

Figures may not add to 100.0 due to rounding.

*Represents tobacco; petroleum; rubber & plastics; leather; stone, clay and glass; and miscellaneous.

Source: Planning and Research Division,
S.C. State Development Board

Table 3
INDUSTRIAL SOURCES OF PERSONAL INCOME
1979

Industry	Income (million of dollars)	% of Total
Farms	\$ 365	2.3%
Mining	28	0.2%
Contract Construction	1,066	6.6%
Manufacturing	5,467	33.7%
Wholesale & Retail Trade	2,338	14.4%
Finance, Insurance and Real Estate	677	4.2%
Transportation & Public Utilities	1,026	6.3%
Services	1,967	12.1%
Government & Govern- ment Enterprises	3,211	19.8%
Other	67	0.4%
Total	\$16,212	100.0%

Source: *Survey of Current Business*,
U.S. Department of Commerce, August 1980.

Table 4
ANNOUNCED CAPITAL INVESTMENTS
BY MANUFACTURING INDUSTRIES
Fiscal Year 1980-81

Industry	No. of Plants	% of Total	Employ	% of Total	Capital Investment (\$000)	% of Total
Food	34	5.6	485	3.7	\$ 23,839	1.2
Textiles	93	13.7	2,282	17.2	230,349	11.4
Apparel	11	6.0	1,018	7.7	9,551	0.5
Wood & Furniture	55	8.1	656	4.9	61,898	3.1
Paper & Printing	59	8.7	677	5.1	770,397	38.3
Chemical & Allied	53	7.8	898	6.8	230,269	11.4
Metalworking	232	34.1	6,096	45.9	527,823	26.2
Remaining*	109	1.60	1,168	8.8	158,302	7.9
Total	680	100.0	13,280	100.0	\$2,012,131	100.0

*Includes Tobacco; Petroleum; Rubber and Plastics; Leather; Stone, Clay and Glass; and Miscellaneous.

Source: Planning and Research Division
S.C. State Development Board

Table 5

**VALUE OF FOREIGN INVESTMENTS AS A PERCENTAGE OF
TOTAL INDUSTRIAL INVESTMENTS IN SOUTH CAROLINA**

1960-1980

(\$000)

Year	Foreign Investments	Total Industrial Investments	Foreign Investments Percent of Total
1960	\$ 32,083	\$ 209,759	15.3
1961	500	217,677	0.2
1962	485	210,795	0.2
1963	40,182	264,208	15.2
1964	29,506	281,214	10.5
1965	79,250	600,006	13.2
1966	152,800	509,012	30.0
1967	17,750	305,797	5.8
1968	184,500	635,617	29.0
1969	48,400	706,289	6.9
1970	72,300	319,456	22.6
1971	4,635	473,391	1.0
1972	61,900	502,563	12.3
1973	340,660	1,229,690	27.7
1974	313,053	666,055	46.9
1975	58,800	511,445	11.5
1976	186,005	487,685	38.1
1977	408,162	1,235,171	33.0
1978	208,205	857,233	24.3
1979	392,535	1,541,135	25.5
1980	348,908	1,515,643	23.0

SOURCE: Planning and Research Division,
S.C. State Development Board

Table 6
FOREIGN INVESTMENT BY MANUFACTURING PLANTS
BY COUNTRY

(\$000)

Country	Prior to 1970	1970-1979	1980	Total	Percent of Total*
Austria	---	500	---	500	**
Belgium & Luxembourg	---	12,905	21,065	33,970	1.1
Canada	13,500	46,329	8,960	68,789	2.2
Denmark	---	3,000	---	3,000	0.1
France	7,592	555,300	17,200	580,092	19.0
Germany	249,592	634,438	104,195	988,225	32.3
Great Britain	241,082	315,132	77,433	633,647	20.7
Japan	3,000	255,425	21,200	279,625	9.1
Netherlands	150,000	36,575	16,855	203,430	6.6
South Africa	---	6,000	---	6,000	0.2
Switzerland	250	180,151	82,000	262,401	8.6
Taiwan	---	500	---	500	**
TOTALS	665,016	2,046,255	348,908	3,060,179	100.0

*percents may not add to 100 due to rounding.

**Less than 0.1.

SOURCE: Planning and Research Division
 South Carolina State Development Board

Table 7

VALUE OF FOREIGN MANUFACTURING INVESTMENT
BY INDUSTRY

(\$000)

Industry	Investment	% of Total
Textiles	148,955	4.9
Paper and Printing	242,402	7.9
Chemicals	1,417,413	46.3
Metalworking	553,409	18.1
Others*	698,000	22.8
TOTAL	3,060,179	100.0

*Includes rubber and miscellaneous plastics and miscellaneous manufacturing industries.

SOURCE: Planning and Research Division
 South Carolina State Development Board